

PERMITS DRILLING & EXPLORATION  
Federal Uranium Corporation

*File  
DP*

Resources: Realty

August 22, 1956

Federal Uranium Corporation  
243 South Main Street  
Salt Lake City, Utah

Gentlemen:

Transmitted herewith is an approved copy of your drilling and exploration permit for which you were the successful bidder during the sale of drilling and exploration permits on June 28, 1956.

This drilling and exploration permit covers Tract #1A comprising 431.7 acres as advertised in our circular dated June 18, 1956, and is approved this date and will run for a period of 18 months from date hereof.

Yours very truly,

(s) Thomas Lynch  
Thomas Lynch  
Adm. Assistant

Enclosure

cc: Realty  
Mr. Garard  
chronos.

TL/ajh

~~CONFIDENTIAL~~

THE NAVAJO TRIBE  
DRILLING AND EXPLORATION PERMIT

TO: Federal Uranium Corporation  
218 South Main Street  
Salt Lake City, Utah

1. Pursuant to approval of your bid at the sale held at Window Rock, Arizona,

on June 28, 1956, you are hereby granted an exclusive drilling and exploration permit for a period of eighteen (18) months from date of approval hereof upon Navajo Tribal Lands described as follows:

**Tract No. 1-A**

~~The NW corner is common to the NE corner of Tract 1 and is the point of beginning, thence S. 87° 15' E., 938 ft. to the SE corner of Tract 2; thence S. 87° 15' E., 3,635 ft. to the NE corner located on the west bank of Oljato wash, thence S. 23° 07' W., 5,579.4 ft. to the SE corner; thence N. 87° 15' W., 2,550 ft. to the SW corner being common to the SE corner of Tract 41; thence N. 2° 15' E., 5,286 ft. to the point of beginning.~~  
Contains 431.7 acres.

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2. You are not permitted under this permit to sell ore, but you may remove small quantities for assay or experimental purposes.

3. You are required to pay individual Navajo Indians who may have customary, established, allocated, or assigned use rights for all damage caused by you which affects the surface of the lands involved or any improvement of said Navajo Indians, as determined by the Secretary of the Interior, or his authorized representative.

4. No ~~renewal~~ <sup>renewal</sup> or extension of this permit may be granted; nor may the permit be sold, assigned, sublet, or transferred in any manner without the consent of the Advisory Committee of the Navajo Tribal Council and the Secretary of the Interior or his authorized representative. No overriding royalty on account of production under any lease may be created as an incident of such transfer or otherwise, and the payment of any overriding royalty on account of production under any lease will constitute cause for cancellation and forfeiture. "Overriding royalty" for the purpose of this paragraph is defined as any payment of any kind whatever, other

than payment of a tax or the Tribal royalty, measured by a percentage of the production or of the gross or net value thereof. Payment of a percentage of the net profit of a mining venture shall not be included in the definition of overriding royalty.

5. During the term of this permit you are granted the exclusive right to apply for and be granted a mining lease upon the lands above described, subject to acreage limitations and other lawful regulations.

6. You are required to furnish the Navajo Tribe, at the office of the Tribal Mining Engineer, Window Rock, Arizona, complete drill records and all information obtained from drilling and exploration each thirty (30) days during the term of this permit.

7. You shall have the privilege of constructing and maintaining, at your own expense, any additional roads across Permittee's lands that are necessary in carrying on the actual drilling and exploration work. Water and power lines may also be installed.

8. You shall have the right to drill and equip water wells on the land. At the termination of the permit or any leases taken all wells will be left intact and properly cased.

9. Permittee agrees to employ Indians, giving priority to the members of the Navajo Tribe, in all positions for which they are qualified and available and shall pay the prevailing wage rate for similar services in the area. The Permittee shall do everything practicable to employ qualified Indians, giving priority to the members of the Navajo Tribe, and their equipment in all hauling of materials under the permit and any leases taken and any work done thereunder, insofar as Permittee does not use its own equipment for that purpose. Permittee agrees to make special effort to work Indians, giving priority to the members of the Navajo Tribe, into skilled, technical, and other higher jobs in connection with the Permittee's operations under the permit and leases taken thereunder.

10. Upon termination of operations, Permittee will leave all of the areas on which it has worked in a condition that will not be hazardous to life or limb, and will take reasonable precautions for the conservation and protection of the property involved.

The above permit is accepted and permittee hereby agrees to be bound by all the terms and conditions thereof.

THE NAVAJO TRIBE

BY David Jensen  
Chairman, Navajo Tribal Council  
(Permitter)  
BY W. W. Dixon  
FEDERAL URANIUM CORPORATION  
(Permittee)

APPROVED, DATE: Aug 22 1956

(Sgd.) K. W. Dixon

Acting General Superintendent 2

Resources:  
Realty

Navajo Agency  
Window Rock, Arizona  
March 13, 1956

Federal Uranium Corporation  
248 South Main Street  
Salt Lake City, Utah

Gentlemen:

Enclosed herewith is an approved copy of your Drilling and Exploration permit covering Tract #1, as advertised and for which you were high bidder during our sale of said permits on January 24, 1956.

This Drilling and Exploration permit was approved by the General Superintendent of the Navajo Agency on March 12, 1956, for a period of 18 months from date thereof.

Yours very truly,

(s) Thomas Lynch

 M. D. Long  
Chief, Branch of Realty

Enclosure

cc: Realty  
    chrono.  
    Garard  
    U.S. Geological Survey, Carlsbad, New Mexico  
    m/f

TL/am

~~CONFIDENTIAL~~

THE NAVAJO TRIBE  
DRILLING AND EXPLORATION PERMIT

TO: Federal Uranium Corporation  
243 South Main Street  
Salt Lake City, Utah

1. Pursuant to approval of your bid at the sale held at Window Rock, Arizona, on January 24, 195 6, you are hereby granted an exclusive drilling and exploration permit for a period of eighteen (18) months from date of approval hereof upon Navajo Tribal Lands described as follows:

The Northwest corner is approximately S 11 1/2° E., 20,220  
feet from the SW corner of Section 33, T. 43 S., R. 14 E.,  
S. L. B. M., and contains approximately 640 acres in Navajo  
County, Arizona.

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2. You are not permitted under this permit to sell ore, but you may remove small quantities for assay or experimental purposes.

3. You are required to pay individual Navajo Indians who may have customary, established, allocated, or assigned use rights for all damage caused by you which affects the surface of the lands involved or any improvement of said Navajo Indians, as determined by the Secretary of the Interior, or his authorized representative.

4. No ~~renewal~~ <sup>renewal</sup> or extension of this permit may be granted; nor may the permit be sold, assigned, sublet, or transferred in any manner without the consent of the Advisory Committee of the Navajo Tribal Council and the Secretary of the Interior or his authorized representative. No overriding royalty on account of production under any lease may be created as an incident of such transfer or otherwise, and the payment of any overriding royalty on account of production under any lease will constitute cause for cancellation and forfeiture. "Overriding royalty" for the purpose of this paragraph is defined as any payment of any kind whatever, other

than payment of a tax or the Tribal royalty, measured by a percentage of the production or of the gross or net value thereof. Payment of a percentage of the net profit of a mining venture shall not be included in the definition of overriding royalty.

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7. You shall have the privilege of constructing and maintaining, at your own expense, any additional roads across Permitter's lands that are necessary in carrying on the actual drilling and exploration work. Water and power lines may also be installed.

8. You shall have the right to drill and equip water wells on the land. At the termination of the permit or any leases taken all wells will be left intact and properly cased.

9. Permittee agrees to employ Indians, giving priority to the members of the Navajo Tribe, in all positions for which they are qualified and available and shall pay the prevailing wage rate for similar services in the area. The Permittee shall do everything practicable to employ qualified Indians, giving priority to the members of the Navajo Tribe, and their equipment in all hauling of materials under the permit and any leases taken and any work done thereunder, insofar as Permittee does not use its own equipment for that purpose. Permittee agrees to make special effort to work Indians, giving priority to the members of the Navajo Tribe, into skilled, technical, and other higher jobs in connection with the Permittee's operations under the permit and leases taken thereunder.

10. Upon termination of operations, Permittee will leave all of the areas on which it has worked in a condition that will not be hazardous to life or limb, and will take reasonable precautions for the conservation and protection of the property involved.

The above permit is accepted and permittee hereby agrees to be bound by all the terms and conditions thereof.

THE NAVAJO TRIBE

BY

*Paul Jones*  
Chairman, Navajo Tribal Council  
(Permitter)

Federal Uranium Corporation

by *W.D. Nebeker Jr.*  
(Permittee)

MAR 12 1956

APPROVED DATE:

*A. Warren Spaulding*  
GENERAL SUPERINTENDENT

16 January 1956

Mr. E. B. Daggett  
Federal Uranium Corporation  
248 South Main Street  
Salt Lake City, Utah

Dear Mr. Daggett:

Due to the fact that the Atomic Energy Commission does not list barring drill holes, I am wondering that most of the holes listed in your letter were in blanks inasmuch as I cannot locate any of the hole numbers given in your letter, but do have other numbers covering the area which I believe covers the area mined. The Bee Sho Shee Company has been given all drill data and should be able to locate them in their file, the same hole is true with Spencer Uranium.

I am very sorry that I do not have the information requested, but believe that you will find the circumstances as above mentioned the reason for no complete information covering this matter.

Sincerely yours,

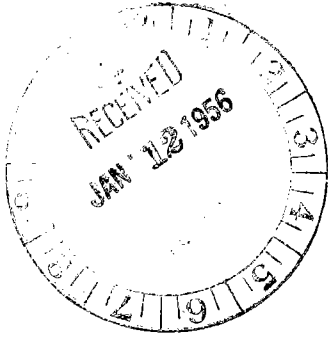
NAVAJO TRIBAL MINING DEPARTMENT

K. N. GARARD  
TRIBAL MINING ENGINEER

KNG/ld

cc: Secretary-Treasurer  
File  
Chrono





# FEDERAL URANIUM CORPORATION

248 SOUTH MAIN STREET / SALT LAKE CITY, UTAH

TELEPHONE EMpire 3-5777

January 10, 1956

Mr. K. N. Garard  
Tribal Mining Engineer  
Window Rock, Arizona

Dear Mr. Garard:

In your letter of November 21, 1955 to Mr. Lottridge of Federal Uranium you suggested that we obtain drill hole numbers on the ground so that you could supply us with drill hole information on the leases of the Bee Sho Shee Co. On a recent trip to the area I obtained the drill hole numbers that are indicated below from drill holes that are still marked.

Spencer Uranium has recently asked us to examine their property there and the Spencer hole numbers indicated below were obtained at the same time as the Bee Sho Shee hole numbers. Mr. Owen Bunker, Vice Pres. of Spencer is writing to you about their holes. If he has requested that the information be sent to him instead of to us we can get it from him.

The drill holes that could be identified are as follows:

On the Chez Nez Claim of Bee Sho Shee Co.

MO 1214	MO 1310
MO 1226	MO 1313
MO 1246	MO 1314
MO 1303	MO 1318

On the Willie Waters Claim of Bee Sho Shee Co.

MO 302  
MO 409  
MO 420

On the John M. Yazzie Claim of Spencer Uranium.

MO 1017	MO 1021
MO 1018	MO 1022
MO 1019	MO 1026
MO 1020	MO 1028

MO 1029  
MO 1034  
MO 1035  
MO 1036  
MO 1037  
MO 1038

MO 1040  
MO 1041  
MO 1042  
MO 1103  
MO 1128  
MO 1131

The three holes shown for the Willie Waters claim are near the south line of the claim. All of the holes with lower numbers than 302 are probably on the same claim, with the exception of the few that were drilled on the two V.C.A. plots.

Since most people involved with the ground in question claim that the holes were not drilled deep enough, we are more interested in the logs of the holes than in the assays.

Very truly yours,

  
E. B. Daggett

EBD:ib